



Frequently Asked Questions

Q:

What is the difference between a “completion form” contract and a “term form” contract?

A:

A cost-plus-fixed-fee type contract may take one of two basic forms - - completion or term. A summary of the differences is below:

- Completion
 - Describes the scope of work by stating a definite goal or target and specifying an end product
 - Normally requires the contractor to complete and deliver the specified end product (for example, a final report of research accomplishing the goal or target) within the estimated cost
 - *Contractor does not earn the full fixed fee until the work, as specified, has been satisfactorily completed*
 - If the work can't be completed within the estimated cost, the Government may require more effort with *no increase in fee*, provided the Government increases the estimated cost
- Term
 - Describes the scope of work in general terms and obligates the contractor to devote a specified level of effort for a stated period of time (for example, 1000 hours over one year)
 - *Contractor earns the fixed fee when the level of effort has been completed*
 - Additional hours can't be added, and renewal for further periods of performance aren't permitted. (This would be “out of scope” and would be considered a new acquisition, so new cost and fee arrangements would be appropriate.)
- Summary
 - Because the contractor assumes a greater obligation under a completion form contract, it is preferred over term form
 - Completion form is more appropriate whenever the work, or specific milestones for the work, can be defined well enough to permit development of estimates within which the contractor can be expected to complete the work

- Reference: [FAR 16.306\(d\)](#)

Q:

Why are surveillance plans needed for Time-and-Material (T&M) and Labor Hour (LH) contracts?

A:

Because T&M and LH contracts provide no positive incentive to the contractor for cost control or labor efficiency, they require particular surveillance. [FAR 16.601\(b\)\(1\)](#) requires this. The nature and degree of surveillance will depend on your contract. What we need is a plan that will give us reasonable assurance that efficient methods and effective cost controls are being used. The degree of surveillance should be geared to the degree of risk to the Government. Small contracts normally present less risk to the Government, but this isn't always true. (There is no minimum threshold.) Bottom line: Use your good judgment to build a plan that will minimize the risks to the Government.

Q:

Is there a source I can access to find out, by month for our Contract Administration Office's contractors, the number of public vouchers paid?

A:

Yes, Shared Data Warehouse (SDW). Find someone who has access if you don't. Use the invoices folder. Search for your organization code, reason code = F (paid), shipment number starts with BVN (indicating public voucher) and paid date between XXXX-XX-XX and XXXX-XX-XX. You can pick any data element you want out of the invoices folder, including contractor name, CAGE, ACO, etc. If you need help, contact your FASST representative. Also, there already is a canned query in SDW for paid invoices.